

STATE OF NEVADA

Department of Conservation and Natural Resources

Division of Environmental Protection

Bureau of Mining Regulation and Reclamation

Water Pollution Control Permit

Permittee:

**Newmont Mining Corporation
McCoy/Cove Mine
#1 McCoy Road
P.O. Box 1658
Battle Mountain, NV 89820**

DRAFT

Permit Number:

NEV0088009 Closure (2006 Renewal)

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to close the McCoy/Cove Mine, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is not authorized to process ore.

This facility is located in Lander County, in Sections 1, 2, 11, and 12 of Township 28N, Range 42E; Sections 5, 6, 7, and 8 of Township 28N, Range 43E; Sections 25, 26, 35, and 36 of Township 29N, Range 42E; and Sections 30 and 31 of Township 29N, Range 43E, MDB&M, approximately 30 miles southwest of the community of Battle Mountain, Nevada.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application dated January 27, 2006, and the Comprehensive Final Permanent Closure Plan (Plan) of March 4, 2005, is accurate and that the facility is being closed as specified in the Plan. The Permittee must inform the Division of any deviation from or changes in the information in the application which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of October XX, 2006, and shall remain in effect until October XX, 2011, unless modified, suspended, or revoked.

Signed this XX day of October 2006.

David Gaskin, P.E.

Bureau Chief, Bureau of Mining Regulation and Reclamation

I. Specific Facility Conditions and Limitations

- A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:
 - 1. Close the facility in accordance with those design plans;
 - 2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
 - 3. Not release or discharge any process or non-process contaminants from the fluid management system.
- B. Schedule of Compliance: In the event that the water quality of the Cove Pit lake changes significantly from that of historic empirical data and the long-term modeled steady-state chemistry, an updated pit lake model will be required within 180 days.
- C. The fluid management system covered by this permit consists of the following process components:
 - 1. Lined heap leach pads #1, #2, and #3;
 - 2. Double-lined ponds and their leak detection systems including:
 - a. the Event Pond (P2-EP) for Leach Pad #2;
 - b. the Process Solution Pond (P3-PP) and the event pond (P3- EP) for Leach Pad #3;
 - c. the Sediment Pond (T-SP) , the Reclaim pond (T-RP) , and Event Pond (T-EP) of the Tailings Storage Facility (TSF);
 - 3. Single-lined ponds including:
 - a. the Storm Event Pond (P2-SEP) of Leach #Pad 2;
 - b. the Storm Event Pond (P3-SEP) of Leach #Pad 3;
 - c. the Storm Event Pond (T-SEP) for the Tailings Storage Facility;
 - 4. Transfer pipes, valves, and pumps used in conveyance, control or detection of process fluids between process components; and
 - 5. Tailings Storage Facility with an allowable embankment height of 4,875 feet AMSL.

DRAFT

D. Monitoring Requirements

<u>Identification</u>	<u>Parameter</u>	<u>Frequency</u>
1. Groundwater Monitoring Wells: IM-2, IM-3, LP2D, LP5B, TM3, TM4 & TM5	Profile I ² & groundwater elevation (above mean seal level)	Annually
2. Cove Pit Lake: North, mid- & South	Profile I ² (10 feet below surface, Mid-depth, & 350 foot depth from surface)	Semi-annual
3. Pond Leak Detection Sumps: P2-EP, T-SP, T-RP, T-EP, P3-PP, P3-EP	Accumulation, gallons per day (gpd)	Monthly ¹
4. Single-lined Ponds: P2-SEP, T-SEP & P3-SEP	Periods of use; total volume, evacuation date and final solution destination.	Quarterly
5. Tailings Reclaim Water: TR	Profile I ²	Quarterly
6. Leach Pad #1, #2 and #3 Draindown (LP1, LP2, LP3)	Flow (gpm) & Profile I ²	Quarterly

The Permittee may request a reduction in the number of elements and frequency of analyses after one year of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

- (1) The sump must be inspected and evacuated on a more frequent basis than monthly if the fluid level is above the top of the sump or the invert of any pipe which discharges into the sump, whichever level is lower. Records are required documenting the volume, date and time of extraction to show that sumps are maintained in this condition.

- (2) Profile I

Alkalinity (as CaCO ₃)	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO ₂ + NO ₃)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 units)	WAD Cyanide
Beryllium	Iron	Potassium	Zinc

DRAFT

- E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.
- F. All sampling and analytical accuracy shall be in accordance with Part II.E.
- G. Permit Limitations
 - 1. The daily accumulation of flow exceeding 150 gallons per day averaged over the quarter in the leak detection sumps identified in Part I.D.3.
 - 2. The daily accumulation of flow exceeding 50 gallons per day averaged over the year in the leak detection sumps identified in Part I.D.3.
 - 3. The use of single-lined ponds for containment of process solutions or solids exceeding 20 consecutive days.

Exceedance of these limitations may be permit violations and shall be reported as specified in Part II.B.
- H. The facility shall maintain a calibrated rain gauge which shall be monitored daily. A record of all daily accumulations of precipitation shall be maintained on site.
- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
 - 1. Deterioration, malfunction, or improper operation of control systems;
 - 2. Sudden changes in the level of the contents of any monitoring device;
 - 3. The presence of liquids in leak detection systems; and
 - 4. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved Final Permanent Closure Plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from this Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from

DRAFT

the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.

II. General Facility Conditions and Limitations

A. General Requirements

1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a schedule of compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which the Permittee has little or no control) exists for such revision.
2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

B. Reporting Requirements

1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28th day of the month following the quarter and must contain the following:
 - a. Monitoring results from the leak detection sumps identified in Parts I.D.3, reported on NDEP Form 0590 or equivalent;
 - b. Analytical results of the solution collected from monitoring locations identified in Parts, I.D.2, I.D.5 and I.D.6 reported on NDEP Form 0190 or equivalent;
 - c. Other parameters identified in Parts I.D.2 and I.D.6;
 - d. Periods of use, evacuation date, and final solution destination, if applicable, for the single-lined ponds identified in Part I.D.4.
 - e. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0390 or equivalent.

DRAFT

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.

2. The Permittee shall submit an annual report by February 28th of each year which contains the following:
 - a. Analytical results of water quality samples collected from wells identified in Part I.D.1, reported on NDEP Form 0190 or equivalent;
 - b. Table of groundwater elevations for wells identified in Part I.D.1;
 - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
 - d. A brief summary of site closure activities and any major problems with the fluid management system;
 - e. A table of monthly precipitation amounts reported for a at least five year history previous to the date of submittal;
 - f. An updated version of the facility monitoring and sampling procedures and protocols;
 - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
 - h. Graphs of leak detection flow rates, pH, total dissolved solids, sulfate, chloride, nitrate (as nitrogen), WAD cyanide, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.
 - a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 PM of the first working day after knowledge of the release. An oral report shall be made by telephone to (775) 687-4670, extension 3023, and a written report must be provided within ten (10) days in accordance with Part II.B.4.b.
 - b. A release of a substance in a quantity equal to or greater than that covered by

DRAFT

40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.

- c. A release of solutions containing a pollutant, hazardous waste or contaminant, and the quantity is equal to or exceeds 500 gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or an equivalent.
 - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally not later than 5 p.m. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
 - i. Name, address, and telephone number of the owner or operator;
 - ii. Name, address, and telephone number of the facility;
 - iii. Date, time, and type of incident, condition, or circumstance;
 - iv. Name and quantity of materials released; if process solution is released, report total gallons and pounds of contaminant;
 - v. Human and animal mortality or injury;
 - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
 - vii. The estimated quantity of material that will be disposed and the disposal location.
 - b. A written summary shall be provided within 10 days of the time the Permittee makes the oral report. The written summary shall contain a description of the release or discharge and its cause, the periods of the release or discharge (including exact dates and times), whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue, and the steps taken or planned to reduce, eliminate, and prevent recurrence of the event.

DRAFT

- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring, to:
 - i. Determine the effect and extent of each release or discharge;
 - ii. Minimize any adverse impact to the waters of the State arising from each release or discharge;
 - iii. Minimize the effect of each release or discharge upon domestic animals and all wildlife; and
 - iv. Minimize the endangerment of the public health and safety which arises from each release or discharge.

C. Administrative Requirements

- 1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the permittee shall apply for permit renewal not later than 120 days before this permit expires.
- 2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
- 3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
- 4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
- 5. The Permittee is required to retain during operation, closure and post-closure monitoring all records of monitoring activities and analytical results including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
- 6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
- 7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or

DRAFT

property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action as provided in NRS 445A.690 through 445A.705.

D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
 - a. The exact place, date, and time of inspection, observation, measurement, or sampling; and
 - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly

DRAFT

reports.

6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents.

F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in this permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416 and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the permittee but not identified and characterized in the application, the permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

DRAFT

- Revision 01: 16 July 2002: Removal of Monitoring Requirement in I.D.1 (DW3)
- Revision 02: 22 July 2002: Removal of Monitoring Requirement in I.D.1 (DW8); Addition of Monitoring Requirement in I.D.1 (FW2)
- Revision 03: 01 February 2003; Incorporation of additional Monitoring Requirement of I.D.6 (Pit Lake), I.D.14 (Leach Pad #2 Draindown)
- Revision 04: 09 June 2003; Permit transfer from Echo Bay Minerals to Newmont Mining Corporation; Incorporation of additional Monitoring Requirement in I.D.9 (Pond Leak Detection Sumps), I.D.13 (Channel Leak Detection) and I.D.14 (Leach Pad #1, #2 and #3 Draindown); Addition of Schedule of Compliance item to submittal of detailed Final Permanent Closure Plan.
- Revision 05: 29 April 2005; Removal of Monitoring Requirements in I.D.7 (Leach Pad #2 Leak Detection Pipes), I.D.8 (Leach Pad #3 Leak Detection Pipes), I.D.9 (Pond Leak Detection Sumps – P1-DEP & M-EP) and I.D.13 (Channel Leak Detection). Total of 29 monitoring points which were removed during reclamation/closure activities.
- Revision 06: 17 August 2006; Permit renewal as Closure permit